G. R. S. App. F. IX-4]

1942-3 War File No. 131-42.

Previous References.
W195-40-163 (War) Serial Nos. 1

Later References.

P4

GENERAL AND REVENUE SECRETARIAT

Serial Nos. One only

Part B for December 1942.

SUBJECT.

Financing of the A.R.P. measures in Public Electricity undertakings.

Krishnamurthi
23.12.42.

1841/W

Continuation Sheet. File No. / Current No. W 131 of 1942-3. Page.

Sh.1

OFFICE OF THE MINISTER FOR LAW
DEC 15 1942
No. 5279

From The Secretary Scottish Office
F. 11341/W & 12th Decr. 42 forwarding copy of circular of 20th Nov. 42 re financing of the ARP measures in Public Electricity Undertakings.

Asks for formal. There is no public electricity undertaking in the Shetland & question of financing ARP measures does not arise.

1672

RS 14/12

Law Dept 15/12/42

B

W 131-42-1

No.F.113-41/W. 1841/W

THE OFFICE OF THE HON'BLE THE RESIDENT
IN MYSORE,
Dated Bangalore, the 12th Dec. 1942.

A copy of the undermentioned paper is forwarded to the

Chief Secretary to the Government of His Highness the Maharaja of Mysore, Bangalore,

for information, in continuation of endorsement from this Residency No.F.113-41/W, dated the 18th June 1942.

By order, etc.,

War 12-12-42 for SECRETARY TO THE RESIDENT.

The Government of India (Civil Defence Department) circular No.424/42, dated the 20th November 1942.

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Copy of a circular from the Government of India, Civil Defence Department, to all Provincial Governments, No.424/42, dated the 20th November 1942.

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A.R.P. measures in Public electricity undertakings financing of the.-

I am directed to address you regarding the manner of meeting the cost of A.R.P. measures undertaken by electricity supply undertakings. In Labour Department's letter No.G.104(ARP) dated the 28th August 1941, two general principles were suggested:

(i) the Electrical Commissioner would only serve orders under rule 51(c) of the Defence of India Rules, on public electricity supply undertakings when the plant was in a vulnerable area and also essential to the war effort, and

(ii) the cost would be divided in the ratio of fifty fifty, half to be paid for by the tax-payer as a part of the Central and Provincial A.R.P. expenditure and half to be borne by the undertaking which would have the right to recoup the cost by applying to the Provincial Government for a rate increase or surcharge.

2. The first of these two principles has been adhered to although the Electrical Commissioner now serves orders on most undertakings which serve class 1, 2 and 3 towns.

3. The second principle has however been modified in this Department's letter No.47/42-A.R.P.I(S) dated 24th/26th January 1942 which (vide item 12 of the schedule) grouped electrical undertakings in three groups. This modification has not proved wholly satisfactory. There is no uniform procedure for meeting the cost of A.R.P. in electrical undertakings and no definite principles have been laid down to cover A.R.P. arrangements other than structural precautions. The Government of India therefore now propose to modify the directions contained in this Department's letter of 24th/26th January 1942 and as before with effect from 1st July 1941, to treat all public electricity supply undertakings in the same manner, whether they are owned by a municipality or by Private enterprise. They propose that A.R.P. costs should be allocated as follows, the surcharge being spread over a period of say one or perhaps two years:-

Heading of cost	Method of Treatment.
1. Structural protection to power stations or plant and adjoining offices and stores, provision of shelters for operating personnel provision of temporary fire fighting and personnel equipment (stirrup pumps, steel helmets, respirators etc), provision of first aid equipment - where ordered by the Electrical Commissioner in class 1,2 & 3 towns.	1 50% to be paid by Government to rank in slab system and 50% to be recoverable by surcharge on bills.
2. Structural and other protection as in 1 above when ordered by the Provincial or other competent authority "not being the Electrical Commissioner". It is hoped that Provincial Governments will have no objection to sending such schemes to the Electrical Commissioner for approval.	2. The proportion to rank as A.R.P. expenditure to be certified by the Electrical Commissioner. 50% of amount so certified to be paid out of slab system. Remaining 50 per cent of certified portion to rank for surcharge (if any). Uncertified portion to be taken into undertaking's capital or stores account.

*3. Provision of additional spares for generating, transmission or distribution plant. *4. Provision of standby transmission of distribution lines. *5. Provision of building for dispersal of spares. *6. Provision of additional permanent fire fighting equipment. 7. Cost of standby squads where additional men are engaged either for fire fighting watching or breakdown gangs, etc. 8. Cost of servicing of damage. 9. Cost of removal of spare parts. 10. Recurring expenses in connection with removal of spares. 11. Cost to the supply undertaking for effecting black out in street lighting equipment. 12. Camouflage painting of buildings.	3. To be written off against revenue and to rank for recovery by surcharge on bills. This expenditure to be certified by the Provincial Government.

(* The Electrical Commissioner's Office only allows a portion of expenditure on approved works to rank for grants where these works have any peace time value. In some cases only 25% of the costs are so admitted thus only securing a Government grant of one eighth.)

4. The Provincial Government should itself set up its own organisation to deal with the 50 per cent portion which is to be covered by a surcharge on bills. The Government of India hope however that Provincial Governments will only allow 50% and not more to be recouped by such a surcharge. The Government of India consider that any surcharge on electric power consumers is not in the best interests of the future of public electricity undertakings; it creates a feeling of insecurity and will be likely to influence commercial firms when considering post-war reconstruction to regard facourably provision of their own power plant. This is clearly opposed to the best interests of the country. Further the larger part of the expenditure on A.R.P. in electric supply undertakings is required because of the necessity of protecting the station to the utmost to ensure the maintenance of war production. The Government of India therefore consider that it would be inequitable to require consumers to pay by surcharge more than 50% of the cost of A.R.P. They hold the view that the reminder of the cost is a legitimate charge on the general tax-payer. The Government of India also hope that in fairness to the industry all undertakings applying for a surcharge will be allowed automatically to have that surcharge provided of course that the Provincial Governments are satisfied that existing rates themselves are not excessive. They do not consider it desirable that applications should be treated separately on their individual merits.

I am to add that in respect of any expenditure for A.R.P. measures which is treated as capital, an electricity supply undertaking will be entitled, for the purposes of its assessment to income-tax and excess profits tax, to depreciation only on the expenditure actually incurred by it excluding the subsidy of 50% paid by Government.

5. I am to express the hope that the Provincial Government will agree with these proposals and will let the Government of India have their views at a very early date.

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